

Montana Department of Commerce
Primary Sector Workforce Training Grant Program
(MCA 39-11)

History: - The 59th Montana Legislature passed House Bill 270 (HB 270), a workforce-training act created to provide funding to meet the training needs of employees working in expanding primary sector industries in Montana. Governor Schweitzer signed HB 270 into law on April 28, 2005.

Decision Making - A seven-member Statutory Grant Review Committee (MCA 39-11-201), consisting of both public and private members, makes the actual grant award decisions.

Funding - During the current biennium, a total of \$2.8 million was appropriated for Workforce Training Grants. The Department of Commerce is requesting a total of \$8 million in the upcoming biennium for Workforce Training Grants.

Business Eligibility -

- Primary sector business
- Create **at least 10 new jobs** in Montana;
- Pay trainees **at least the average wage for the area (state or county -- whichever is lowest)**. **Benefits may be included** - (current \$14.03 per hour)
- **Have a need for education or training** for the new employees; and
- **Demonstrate that the business expansion is financially feasible.**

Grant Award Ceiling and Thresholds

- The maximum grant award is **\$5,000 for each new job.**
- Business must create at least **10 new jobs.**

Match Requirements

- **\$1 for every \$3 awarded.**

Eligible Costs

- All necessary and incidental costs of providing workforce training and education directed to the new jobs are eligible for a grant.

Applications for funding must include

- Business Plan, Financial Statements for three previous years, Projections for two coming years, Hiring and Training Plan

Clawback

- Company is required to sign a contract specifying terms of the grant and repayment requirements should the company fail to maintain the jobs, wage levels or training specified in the grant application.

Reporting

- Required **six-month progress reports** to the Department until the goals contained in the plan have been achieved. **Payment occurs only after documenting the creation of eligible jobs, the hiring for those jobs, and after incurring eligible training expenses.**

PROJECTS FUNDED DURING 2007 BIENNIUM

A cost/benefit analysis conducted by the Department of Commerce shows that each project funded is expected to repay the State of Montana in new tax revenues within 3 years and in most cases, around two years. An analysis of the Fort Peck Tribes project was not performed since tax revenue is uncertain given Tribal sovereignty.

- **PrintingForLess.com, Livingston**, was awarded \$125,000 to add and train 25 employees. PrintingForLess is an Internet printing business and has been called one of the fastest growing companies in the US today. The company's training curriculum is based upon high standard customer service and comprehensive software training that covers all customer software and real world printing knowledge.
- **Integrated Solutions, Wolf Point**, was awarded \$150,000 to add and train 30 employees. Integrated Solutions is new business wholly owned by the Fort Peck Tribes. Integrated tests software for a Microsoft affiliate. Current company training includes programming and software maintenance.
- **AvMax Group, Inc., Great Falls**, opened a new heavy maintenance and repair facility for regional aircraft (30 – 90 seats) at the Great Falls International Airport on April and was awarded \$205,000 to hire and train 41 new workers. AvMax will actually hire and train almost 100 new employees over the course of its first year in business in Great Falls. AvMax is owned by Aviation Services Company of Calgary, Alberta. Regional airlines, primarily in North America, are AvMax's potential customers. AvMax has already partnered with the Great Falls Workforce Services Center for recruitment. Training curricula will be based upon aviation regulatory requirement standards.
- **DirecTV, Missoula**, was awarded \$1,590,000 to hire and train 318 employees at its new facility in Missoula County. Total employment for the operation is expected to reach 950. This facility is its first call center in Montana. Ground was broken in December, 2005. DirecTV provides digital television via satellite. New employees receive a new hire orientation, on-the-job training, handling "mainbank volume" calls training and advanced technical training. Team leaders and support staff will also be trained.
- **Elkhorn Treatment Center, Boulder**, (a division of Boyd Andrew Community Services, Helena) was awarded \$75,000 to hire and train fifteen (15) new employees. 31 new employees are expected to be hired. Ground was broken for the new methamphetamine treatment facility for female offenders in June. Elkhorn will accept its first offenders for treatment in January, 2007. BACS also operates the Helena Prerelease Center for male offenders. Treatment will be based upon the Therapeutic Community Model which is a structured curriculum and living environment that promotes life changes and the skills to support a drug-free environment in outside society.
- **Summit Aeronautics, Helena**, was awarded \$200,000 to hire and train forty (40) new employees at its Helena Regional Airport facility. Summit is adding 30,000 square feet to its 75,000 foot facility. Summit has/had numerous manufacturing contracts with Boeing, Lockheed Martin, Bell Helicopter, Sikorsky, Vought Aircraft Systems and Kawasaki Heavy Industries. Summit produces a number of machined parts and/or tools for high-end use in aeronautics industry. Primary products have been tools and parts for F22 fighter jets.

The companies funded by this biennium's resources are projected to train 577 Montanans while creating in excess of 1,000 new jobs. The State of Montana funding of \$2.8 million for projects and administration are estimated to leverage approximately \$56 Million in new investment in Montana.